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**Justifying and Linking Enterprise Architecture with Business Strategy.** Organizations lacking effective and timely business/IT alignment should use a common requirements vision to link IT decision making to strategic business direction. This linkage is key to justifying an enterprise architecture effort.

**META Trend: Through 2005, the primary justification for enterprise architecture will be the business value derived from integration of separate business and IT planning processes into a unified enterprise architecture planning and execution function. Business value sourcing will replace traditional return-on-investment and total-cost-of-ownership measures as the primary metric for measuring the success of the enterprise architecture.**

An enterprise architecture (EA) must be linked with an enterprise's most important business strategies. Because EA is positioned as a bridge between strategy and implementation, it must also articulate the impact of strategy on the many implementation entities of the enterprise, namely, business operations, information, technology, and applications (see META Practice Vol. 3, No. 13). Many vehicles are available to help an organization create this linkage, but the simplest is a common requirements vision (CRV — see Figure 1 in Addendum). Once an organization has created a CRV, many benefits can be derived, most notably, EA justification.

According to our research, approximately 80% of Global 2000 enterprises engaged in an EA effort also created a CRV as part of their deliverables, yet only 40% have active business participation. Through 2002, we expect business participation to grow to 50%, increasing to 75% by 2004.

**Start with Enterprise Business Strategies.** To create a CRV, an architecture team must identify the most important business strategies as well as assess its enterprise's business strategic planning capabilities. Organizations with formal strategic or digital innovation planning methods (see META Practice Vol. 3, No. 14) with the results openly published have a distinct advantage. In this case, the CRV has a direct source of business strategies within the organization, gaining significant time savings over organizations without formally documented strategies. Strong strategic or digital innovation planning will also streamline deriving common requirements because the depth of thought characteristic of such efforts (multiple scenarios considered with some

derivative impact analysis). However, this is not to say challenges do not exist.

Depending on the level of analysis that has accompanied the strategy development, the strategies may need to be refined to drive CRV creation. When an architecture team struggles with deriving requirements from the strategic statements, it is generally a sign the strategies need refining. The goal is to make high-level strategic statements more meaningful and direct, to identify explicit requirements. For instance, a business strategy that states "grow by 5% by year-end 2002" is less meaningful (and more difficult to identify requirements for) than "increase market share 5% in all market segments during the next two years by increasing cross-selling of all products and services." In using the CRV process to refine the business strategy, the enterprise develops more-meaningful strategies as well as business/IT organization synergy. In addition, the common requirements will be easier to derive because more information is available.

Organizations that lack clearly defined, documented business strategies can use the CRV to demonstrate the need

#### Business Impact

**A common requirements vision provides the business with a common language and process for linking its strategies with the various implementation efforts required to achieve success; it also provides a vehicle for analyzing the impact of changes to business strategy.**

to drive IT decision making from business strategy. Organizations lacking the executive business support required to make the CRV meaningful must do their own intelligence gathering and strategizing to draft a “straw horse” CRV. This can then be used to demonstrate the relationship between business strategy and operational decision making, thus initiating a dialog with senior management on business strategy and derived common requirements.

**Identify Common Requirements.** Once senior business leaders have validated enterprise business strategies, common requirements must be derived. These requirements will be the linkage between business strategy and EA. They describe in great detail what is required for an organization to achieve its business goals/objectives. However, the requirements also provide an argument that links any particular architectural choice or “architected” investment decision to a consensus statement about the enterprise strategy and the relevance of that strategy within a particular business environment.

At some point during the next two years, architects (or project/program managers) will find themselves requesting \$25 million from the CFO for applications systems and supporting infrastructure. The CFO will blanch, breathe heavily, and say, “What? \$25 million! That is a LOT of money!! Our shareholders are going to notice that! Why should we make that investment?” If architects cannot answer the question, the CFO will deny the request or reduce it, to perhaps \$5 million. If so, the engineering effort will be compromised and the enterprise will be back where it started: creating separate silos of systems designed not to adapt, but to merely place a bandage on the latest cut.

Common requirements establish a validated set of requirements those costly investments and long-duration programs can reference in their business case justification. In lieu of common requirements, they are likely to turn to total-cost-of-ownership and short-term benefits with no thought of long-term vision and direction of the enterprise and be unable to sustain the budget and schedule necessary to deliver the required business value. Likewise, the EA must point to the CRV as the

source of its justification to perform adaptive, enterprisewide planning of strategy to implementation.

**Process Benefits.** A CRV yields benefits from both the creation process as well as the deliverable itself. The benefits achieved from the process include:

- Business leaders collectively “baselining” their understanding of the business environment, environmental trends, and strategic responses by the business
- IT showcasing how technology can be used — anecdotally or with real vendor-supplied “toys”
- EA being seen as the facilitative leader to both business and IT leaders
- Having an opportunity to uncover basic assumptions
- Creating a system through which business requirements can be prioritized, budgeted, and executed
- Developing a baseline from which to establish changes/direction and having the capability to test the success of changes
- Having a facility by means of which technology cost can become a technology investment as it aligns with future business strategies
- In organizations with more-advanced strategic planning processes in place, the strategic results can be better understood by the IT organization and tied into the architecture planning and program management functions

**Deliverable Benefits.** The CRV can also be used to achieve other benefits. The CRV:

- Becomes the basis for an actionable strategic business plan in organizations lacking documented business strategies
- Provides a documented outcome of the facilitated discussions regarding basic foundation understanding of the business, which can be used in many other deliverables and corporate documents (e.g., request for information/proposal, project charters)
- Communicates priorities regarding information, business, application, and infrastructure projects
- Provides a set of requirements to compare with those of major business and IT initiatives to ensure they are contributing business value

#### *Bottom Line*

**The biggest key to a successful common requirements vision effort is neither the accuracy of the analysis nor the comprehensiveness of business strategy, but rather the participation of business representatives working collaboratively with their IT counterparts to define a logical and commonly understood set of requirements, validated against the strategic direction of the company.**

**Figure 1 — A CRV**

A CRV is a set of common and cohesive enterprise-level requirements to achieve an enterprise's business strategies. To be an effective linkage and justification vehicle, a CRV must be completed with the participation of business representation, not just IT professionals. A CRV consists of various requirement types, including:

- **Business change requirements** describe what is necessary to change about the business operations (processes, relationships, organization, structure, business model, etc.) to achieve business strategies
  - Example: "Develop an e-channel for product sales and distribution"
- **Business information requirements** describe what the enterprise must do to leverage information to achieve business strategies
  - Example: "Provide an integrated view of all of a customer's accounts information"
- **Technical architecture requirements** describe what capabilities technology must provide to achieve business strategies.
  - Example: "Securely extend our network and applications access to preferred suppliers and customers"
- **Business solution requirements** describe the solutions required to satisfy the business, information, and technology requirements as integrated solutions to achieve business strategies
  - Example: "Allow customer service representatives to view actual product inventory levels during order entry and maintenance"

Source: META Group